

Weekly Market Review

November 19, 2020

Overview

Tight supply on iceberg, green leaf, broccoli, cauliflower and romaine. Tomatoes will be in an extreme condition for the next several weeks due to the impact of Tropical Storm Eta and the rainfall it brought to the growing regions in Florida. Tomatoes from Mexico will be on the watch list as production from the transition growing regions slow down due to cooler than normal temperatures, as well as ongoing pressure from the rugose virus. With holiday demand quickly approaching we could see heavy pro-rates and extreme markets for several weeks on crossings from Mexico.

Market Alert

- Broccoli - **ESCALATED**
- Cauliflower - **ESCALATED**
- Garlic - **EXTREME**
- Ginger – **EXTREME**
- Green Beans - **EXTREME**
- Lettuce (Iceberg) - **ESCALATED**
- Lettuce (Green Leaf & Romaine) – **EXTREME**
- Limes - **ESCALATED**
- Tomatoes - East Coast (Round, Roma) – **EXTREME**
- Tomatoes- Mexico (Round, Roma, and Grape) **ESCALATED**

WATCH LIST








- Bell Pepper (Green) -East
- Celery
- Cucumbers - East
- Eggplant -East
- Melons (Cantaloupe, Honeydew, Watermelon)
- Mixed Chili Pepper
- Mushrooms
- Squash - East
- Tomatoes (Grapes and Cherries) - East

Transportation




Freight rates are at record highs due to high demand for the seasonal pull of turkeys and Christmas trees. Trucks are extremely short, with LTL Trucks being particularly difficult to source. National fuel prices are steady and east coast is averaging \$2.48/gallon, while California's average for diesel remains the highest at just under \$3.25/gallon.

Weather

OXNARD, CA:

Thu 11/19	Fri 11/20	Sat 11/21	Sun 11/22	Mon 11/23	Tue 11/24	Wed 11/25
62° 50°F	65° 49°F	68° 50°F	68° 46°F	64° 47°F	66° 47°F	63° 46°F
						
Sunny	Partly Cloudy	Mostly Sunny	Sunny	Sunny	Sunny	Partly Cloudy








SALINAS, CA

Thu 11/19 64° 41°F  Partly Cloudy	Fri 11/20 64° 37°F  Sunny	Sat 11/21 66° 38°F  Sunny	Sun 11/22 65° 42°F  Sunny	Mon 11/23 62° 40°F  Partly Cloudy	Tue 11/24 67° 42°F  Sunny	Wed 11/25 65° 40°F  Partly Cloudy
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MOULTRIE, GA:

Thu 11/19 68° 49°F  Mostly Sunny	Fri 11/20 74° 55°F  Mostly Sunny	Sat 11/21 75° 56°F  Partly Cloudy	Sun 11/22 77° 57°F  Partly Cloudy	Mon 11/23 76° 51°F  Mostly Sunny	Tue 11/24 72° 56°F  Mostly Sunny	Wed 11/25 74° 54°F  Partly Cloudy
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IMMOKALEE, FL

Thu 11/19 81° 64°F  Partly Cloudy	Fri 11/20 84° 65°F  Partly Cloudy	Sat 11/21 82° 67°F  Mostly Sunny	Sun 11/22 84° 66°F  Mostly Sunny	Mon 11/23 85° 64°F  Mostly Sunny	Tue 11/24 84° 64°F  Mostly Sunny	Wed 11/25 84° 64°F  Mostly Sunny
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HERMOSILLO, MX

Thu 11/19 101° 66°F  Sunny	Fri 11/20 100° 63°F  Sunny	Sat 11/21 95° 57°F  Mostly Sunny	Sun 11/22 92° 56°F  Partly Cloudy	Mon 11/23 89° 53°F  Mostly Sunny	Tue 11/24 86° 53°F  Sunny	Wed 11/25 85° 54°F  Mostly Sunny
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CULIACAN, MX:

Thu 11/19 100° 65°F  Sunny	Fri 11/20 98° 64°F  Sunny	Sat 11/21 97° 62°F  Sunny	Sun 11/22 98° 61°F  Sunny	Mon 11/23 96° 61°F  Sunny	Tue 11/24 95° 60°F  Sunny	Wed 11/25 95° 59°F  Mostly Sunny
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Good Buys

Commodity	Market Update	Produce Expert Tip
English Cucumbers	Volume is ramping up out of Mexico and FOB prices continue to ease back. Quality is very nice.	Preserve your English Cucumbers to stay fresh for longer by wrapping each cucumber individually in paper towels. Place them in a plastic bag and seal tightly. Store up to one week in the fridge!

Fruits & Vegetables

Avocados: We continue to see steadiness and stability in harvest once again this week, and there is good supply in the pipeline. Revolution Day is Monday in Mexico, so there will be no harvest; however, we don't expect to feel an impact. As we further transition into the normal crop, we expect to see promotional volumes for all sizes. There is no reason to expect any real change for the remainder of the year.

Bananas: The overall market will begin to tighten up, as a result of the recent hurricane. Quality of conventional bananas is good. Plenty of volume available as our Costa Rican growing regions were unaffected.

Pineapples: Volume and quality on 5ct pineapples are on the uptick! Opportunities on crownless pineapples are available. Pineapple supply will continue to improve for the remainder of 2020.

Grapes: The California grape season has remained steady compared to last week on both red and green grapes. California red grapes will hold on a few weeks longer than the greens will.

Berries

Blueberries: Blueberry volumes are increasing, and overall quality is good.

Blackberries: Supply is expected to decrease due to the cold front in California, expected next week, and cooler temperatures in Mexico.

Raspberries: Volume will continue to increase over the next month and will peak in the next few weeks. Overall quality is good.

Strawberries: We expect volumes to decrease starting next week due to cold temperatures expected throughout California. Central Mexico is ramping up, but their volume is not enough to offset shortages out of California. Florida should start the first week of December.

California / Arizona Citrus

Navels: Supply is plentiful and fruit quality remains very good for early season fruit.

Lemons: Chilean, MX and U.S. lemons are available.

Limes: **ESCALATED** Slightly more supply in the market place this week, even though it rained again in Mexico. With the holiday season upon us, we do not expect to see Mexico coming down in price.

Grapefruit: Texas season has started with peaking sizes 40/48/56ct, mostly fancy grade available. Choice grade will be plentiful in Jan/Feb.

Imports/Specialties available:

- California mandarins have started
- Pummelos are available
- Cara Cara and Blood Oranges are coming soon

West Coast Lettuce

Butter: Supply is fair to good. Overall demand and markets remain steady.

Green Leaf: **EXTREME** The industry continues to see shortages due to weather related and quality issues. By the end of next week, we will have transitioned to Yuma for the winter season, however the desert is seeing some quality issues as well. We expect markets to remain active at least through next week.

Red Leaf: Supply and quality are good.

Iceberg Lettuce: **ESCALATED** Overall quality in Yuma is good, although we are still seeing some quality issues in some growing areas of the desert and supply continues to be light. The market continues to be very active and we expect the market to stay active at least through next week.

Romaine & Romaine Hearts: **EXTREME** Romaine and romaine heart production supply looks to be getting slightly better as we enter the holiday pull week. Weights are a little lighter than anticipated but quality is excellent, aside for some light wind damage.

Eastern and Western Vegetables

Green Bell Pepper: **WATCH LIST** Overall demand has been good, and volume will be improving in the west with production available out of Coachella. Supply is expected to be hit and miss out of Florida for the next week as fields dry out and damages are assessed. South Georgia production remains steady.

Red Bell Pepper: Red bell market has ticked up this week as central coast supply finishes up out of Oxnard and Somis. Supply crossing through Texas has improved as well. Good volume on hot house are available this week.

Yellow Pepper: Yellow bell market is mixed as volume begins to improve. Quality is outstanding.

Mini Sweet Pepper: Supply remains tight and expected to through the holidays.

Mixed Chili Pepper: **WATCH LIST** Supply is stable, yet prices are still firm this week. We expect markets to remain firm through the end of the month and then will transition to our new crop in Sinaloa. Quality will be fair on the last of the fall crop due to a very wet weather pattern during this last part of summer. East coast supply is ramping up out of South Georgia and markets are active.

Eggplant: **WATCH LIST** South Georgia production remains steady, as expected, and Florida will begin to ramp up with intermittent dips in production over the next several weeks expected due to Tropical Storm ETA. In the west, supply will be improving with new crop production out of Mexico and Coachella.

Cucumbers: South Georgia production remains steady, as expected, and Florida will begin to ramp up with intermittent dips in production over the next several weeks expected due to Tropical Storm ETA. Mexico continues to see good numbers and quality. FOB prices are steady this week.

English Cucumbers: Volume is ramping up out of Mexico and FOB prices continue to ease back. Quality is very nice.

Green Beans: **EXTREME** Markets have turned quickly because of Eta on the Southeast and as a result, quality is marginal, and supply is extremely light. Bean production in Coachella and Mexico should ramp up over the next 10-12 days. Markets will remain extreme for several weeks.

Zucchini/ Yellow Squash: (South Georgia and Mexico) **WATCH LIST** Supply has firmed up out of South Georgia keeping markets firm in the east. We are seeing some light numbers out of Florida this week as well. Crossings through Nogales remain stable but firming up.

Herbs

Fresh herbs are steady as supply and quality remain very good.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Steady	MEXICO
Opal Basil	Steady	Steady	USA/MEXICO
Thai Basil	Steady	Steady	USA/MEXICO
Bay Leaves	Steady	Steady	USA
Chervil	Steady	Steady	USA
Chives	Steady	Steady	MEXICO
Cilantro	Steady	Steady	USA
Dill	Steady	Steady	USA
Epazote	Steady	Steady	MEXICO
Lemongrass	Steady	Steady	USA
Marjoram	Steady	Steady	USA
Mint	Good	Good	USA
Oregano	Steady	Steady	USA
Italian Parsley	Good	Good	USA
Rosemary	Good	Good	USA
Sage	Good	Good	USA
Savory	Steady	Steady	USA
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	Mexico
Thyme	Steady	Steady	USA
Lemon Thyme	Steady	Steady	USA
Lavender	Steady	Steady	USA
Lime Leaves	Steady	Steady	USA

Melons

Cantaloupe: **WATCH LIST** Arizona production should finish up this week and then transition to offshore where the first containers are being unloaded. Primarily 9's and 12's.

Honeydew: **WATCH LIST** Domestic honeydew production will finish up this week. There is still decent supply crossing through Mexico keeping markets stable. Sizing has been trending heavier to 6/8s.

*In reference to **cantaloupe** and **honeydew**: Over the next several weeks we will be watching the hurricane that crossed through Honduras and Guatemala, over the past two days, as a category 4 storm. The rain from this storm is expected to impact most of the region and we will need to assess damages over the next several days. Severe damage to the crops in the region could cause major market shortages through February 2021.*

Watermelon: WATCH LIST We will see gaps in production out of Florida over the next few weeks and extremely light volume crossing from Mexico. We should see this improve by the second week of December with increased volume crossing through McAllen and Nogales.

Mixed Vegetables

Artichokes: Light supply of artichokes continue this week and quality is good. Prices are steady.

Arugula: Supply is poor, and quality is fair.

Asparagus: Peru: Steady volume, low demand, and good quality. **Mexico:** Production is extremely slow with very light volume available.

Bok Choy: Good supply and quality.

Broccoli / Broccoli Florets: ESCALATED Supply is light, and we continue to see pin rot in Salinas.

Brussels Sprouts: Supply will be a little tight due to the Thanksgiving pull. We are expecting good and steady demand for the remainder of the month and into December.

Carrots (Jumbo): Quality is good. Availability on snack pack carrots is light due to demand from schools but supply on Jumbo and Cello are good.

Cauliflower: ESCALATED Supply will be light for the next two weeks.

Celery: WATCH LIST Quality is good and the market is steady this week.

Corn: Markets eased back this week due to low demand. Supply ramping up out of Florida and stable loading in South Georgia.

Cilantro: Volume is going to be plentiful this week. Quality is good.

Fennel: We should have good supply on fennel this week and quality remains strong overall.

Garlic: EXTREME The market for domestic garlic remains high with good quality.

Ginger: EXTREME Ginger is very volatile due to very inconsistent supply and market is higher. Supply remains tight for the foreseeable future.

Green Cabbage: Supply is steady with good quality.

Green Onions: Demand is very good this week due to the Thanksgiving pull. The market will remain firm through the end of the month due to demand for holiday business and cooler temps in the growing region.

JICAMA: Steady supply available crossing through McAllen.

Kale (Green): Bunched kale supply is expected to be plentiful for the next few weeks.

Mushrooms: **WATCH LIST** Mushrooms markets continue to be extremely active due to the high demand at retail. This will affect availability and quality on foodservice items, particularly whole mushrooms. We are also seeing COVID restrictions that were implemented for safety affecting output at several mushroom facilities.

Napa: Supply and quality are good. Sizing is on the smaller side.

Parsley (Curly, Italian): Limited supply and quality is fair. We are expecting light supply to continue through early December.

Rapini: Quality is strong although supply is light as Salinas is finishing and fields in the desert are coming in slower than anticipated.

Red Cabbage: Supply and quality are good.

Snow Peas: **Guatemala:** *EXTREMELY LIMITED VOLUME* **Peru:** Low volume, good quality, and high demand. The season is coming to an end, and volume will keep dropping.

Sugar Snap Peas: **Guatemala:** *EXTREMELY LIMITED VOLUME* **Peru:** Low volume, good quality, and high demand. The season is coming to an end, and volume will keep dropping.

Spinach (Bunched): Supply is good, and quality is fair.

Spinach (Baby): Supply is good, and quality is fair.

Spring Mix: Good supply and quality is fair.

Sweet Potatoes and Yams: New crop harvest starts as soon as next week for some sweet potato growers. We are looking at new crop shipments starting in about 6 weeks after they cure. Last year's crop is starting to dwindle, and inventory is getting tight, but supply should hold to avoid gap.

Onions:

FOB pricing on all colors and sizes remain stable, for the time being, in the Northwest. Growers continue to pack out of storage, with size profiles continuing to lean heavier to larger size onions, on all colors. We are seeing red and white onion supply tighten up more than they previously had been, and white onion FOB pricing has moved up by a few dollars because of it. In general, movement seems to be lagging this week due to a combination of COVID cases limiting indoor dining and altering consumer behavior, as well as uncertainty regarding the election. The next round of the USDA Box program orders is under way, which is helping to keep growers cleaned up. Truck capacity continues to be tight, and rates have remained elevated in all regions as well. Trucks have remained tight, and rates have remained elevated in all regions. Demand for rail car shipments is also exceeding supply, and shippers are having to push back shipments for orders they already have on the books.

Potatoes:

Shippers continue to pack exclusively out of storage, and all potatoes shipping from this point on should have completed the 'sweat' process of curing down. Reports are showing a larger size profile in the Norkotah variety, which is typically indicative of good yields; however, there are still plenty of factors that can alter the overall supply situation significantly. It remains to be seen how heavy processor demand will be, but it is believed that they will be in buying strong which will stress the fresh supply and FOBs. We are seeing more Burbank supply become available, and we will continue to see this increase as we move into next year. White Russets are available to ship as well. Small potatoes and consumer pack availability have improved now that Thanksgiving ad loads have mostly shipped out. We are seeing larger size cartons begin to tighten up in Idaho, as well as other russet growing regions. Truck availability has only worsened, and rates are now approaching that of the infamous Q4 of 2017 where we saw record high rates. Any type of market stability has gone out the window for the time being, and the current climate is that whatever the truck asks for, they are generally receiving. Demand for rail car shipments is also exceeding supply, and shippers are having to push back shipments for orders they already have on the books.

TOMATOES

East Coast/West Coast

- **Rounds: EXTREME** Supply out of Florida will be limited on big fruit for the next several weeks, it does seem the market is easing back a tad on mid-sized and small fruit. We will continue to assess post Tropical Storm Eta conditions with our growers and advise as information is communicated to the Produce Alliance Team. The PA Team, along with our growers, are doing everything possible to keep the supply chain filled, we expect active markets, particularly on large sized fruit through the first week of December at the earliest.
- **Romas: EXTREME** Supply out of Florida will be limited over the next several weeks due to damages from Tropical Storm Eta. We will assess this situation closely with our growers and advise as information is communicated to the Produce Alliance Team. The PA Team, along with our growers, are doing everything possible to keep the supply chain filled, we do expect active markets through the first week of December at the earliest.
- **Grape Tomatoes: WATCH LIST** Supply stable out of Florida and market has eased back. We expect stable pricing through the first week of December.
- **Cherry Tomatoes: WATCH LIST** Supply out of Florida remains firm, although beginning to ease back. Demand has been very good this week and quality is very nice. Markets conditions not expected to change through the first of December.
- **Organic Tomatoes: EXTREME** Very little supply available. Expect to be short until the first of the year.

Mexico

- **Rounds: ESCALATED** Supply remains tight due to heavy demand from the east as well as overall lighter supply crossing (for the next two weeks) as a cold front has gone through the main growing regions of Jalisco bringing cooler temps and slowing down the maturity of the fruit. In Otay, the volume is dropping as growers continue to deal with challenges of the virus in these last plantings of the season, which will only further affect the Mexican tomato market. We do expect Baja to have very limited supply through the end of the year and overall active markets not to recover until Florida can rebound from Eta.
- **Romas: ESCALATED** Supply has tightened up considerably due to heavy demand from the east as well as overall lighter supply (for the next two weeks) as a cold front has gone through the main growing regions of Jalisco bringing cooler temps and slowing down the maturity of the fruit. In Otay, the volume is dropping as growers continue to deal with challenges of the virus in these last plantings of the

season, which will only further affect the Mexican tomato market. We do expect Baja to have very limited supply through the end of the year and overall active markets not to recover until Florida can rebound from Eta.

- **Grape Tomatoes: ESCALATED** We are seeing supply tighten up as cooler overnight temperatures slow down production. Markets are firming up; quality is good crossing through Texas and Otay.
- **Cherry Tomatoes: WATCH LIST** Supply remains light crossing through Texas and Otay.

APPLES & PEARS

Apples: There is good supply on new crop fruit out of all major domestic growing areas. The Granny Smith market for foodservice will remain tight due to a shift in sizes; there is lighter than normal crop on 100s. Quality is very nice across all varieties.

Asian Pears: Asian pear supply is available. Chilean & Argentine Bartlett Pears in LA.

STONE FRUIT

Peaches: Done until offshore begins

Plums and Nectarines: Done until offshore begins